

Washington State Health Care Authority

DESIGN TEAM MEETING SUMMARY

K-12 HEALTH BENEFITS PROJECT

SEPTEMBER 15, 2011

HCA EXECUTIVE CONFERENCE ROOM

11:00 AM – 12:30 PM

Purpose:

To provide progress updates, discuss topics/issues that need addressing in system design and obtain feedback.

Participants:

Michael Arnis
Linda Blankenship
Andrew Cherullo
Mary Fliss
Annette Meyer
Sharon Michael

Denise Rhiner (by phone)
Jason Siems
Peter Summerville
John Williams

Progress Reports

Actuarial Analysis

Obtaining data from school districts has been challenging. HCA didn't expect it to be this challenging to get additional data out of school districts and carriers. It has taken six weeks to get a data request, which is being sent out Monday (9/19) for additional data. Had hoped to have by end of August. Despite the struggle, most districts are willing to support the requests. WASA and school business officials association has worked with HCA. The data request is going out as a public information request and clarifying that the data will not be in conflict with HIPAA.

For now, the report and system design will begin with data in hand.

Report Development Timeline and Report Components

Linda Blankenship, project manager, walked Design Team through the Critical Path Diagram that outlines key dates for report components. Discussion followed about report components.

If HCA were to propose making K12 participation in PEB mandatory rather than voluntary, the report would provide description of what that would look like, and the pros and cons in comparison to current system. Goal will be in advisory meeting to really identify what about that scenario is fatal in people's minds. If nothing fatal, then will inform if HCA should continue down that road. If fatal outcomes, then we know to make adjustments to design and know need for creating separate program.

In one scenario, benefits system would be cost neutral to everyone. In another scenario, the funding formula would be the same, but state or local funding might be increased to mitigate potentially increased costs for more robust system.

Note that whatever HCA designs, not everyone is going to like it.

Actuarial team will be doing some financial modeling that will inform pros and cons. But this modeling will not be to the level of identifying very specifically how much it will cost.

PEB mandatory option: Need to really examine changes that would occur by putting K12 employees into PEB; everyone under .5 FTE would be left out; Premiera would be left out. Needs close examination.

Point made that money for those waiving coverage would still go into system.

Next Advisory Team meeting will help Design Team identify where work is still needed, and if value in creating system that is outside of PEB.

Fatal — what does that mean? Sometimes something only fatal if major cost. Are we going to have data about costs or savings to inform “fatal”?

Milliman should have some financial information that will inform determination of fatal, but not sure what level of detail it will be

How are we going to compare value of PEB vs. current system?

With data request, all but 17 school districts participate in a central payroll database and have already transferred data to Milliman. Doesn't have large districts. Lot of the data we're asking for to better inform proposed system so that we get FTE counts in strata across system. Important to understand demographics. Milliman has gotten plan designs from carriers and can outline relative value of current plan designs to PEB. If we just went with PEB, how many members would wind up with a lower value plan?

After seeing Milliman's first roll up of WSIPC data, will inform how detailed a comparison we can do.

Who is doing pros and cons?

Milliman is doing first shot, and then will sit down with the Design Team and work through them. We'll also bring some of the key players from the system in to help ensure everything is accurate.

HCA will very quickly start looking at National Health Reform and what it means for this system—penalties, or chances and costs of getting care from another system. Would like to model: State taking responsibility and getting 50% federal match vs. current system.

Typical interaction with Milliman doesn't include their expertise around PEB as it is designed. Want to be confident around information. Even if Milliman is leading, we want to have lots of review of information and make sure we're not being asked questions we don't know how to answer that seem obvious.

Purchasing Strategy Core Issues

Team reviewed core issues related to developing a purchasing strategy, such as eligibility and governance to determine what needs to be included and addressed.

Implementation Strategy

The Legislature asked HCA for an action plan, and it needs to be reasonable for 2013 launch. It needs to cover all the activities that will have to be carried out. Need to determine all the pieces that will be in an implementation plan.

Implementation plan needs to address what it will take to put a governing board in place for 2013. Including bylaws, appointments, etc. It's a major implementation issue.

Procuring carriers—major issue that needs to be addressed in plan.

What about systems/admin/infrastructure?

Financial modeling has to address implementation strategy. Report needs to lay out all the resources needed and the costs so Legislature knows to set a supplemental budget.

Implementation plan features identified

- Member accounts/account structure
- Plans—purchasing strategy
- Financial systems – way to receive \$
- Definition of eligibility system
- Tie to collective bargaining and labor that is appropriately connected
- Procurement and ongoing contracting management
- Rate setting
- Communication of what choices are
- Enrollment process/system
- System to monitor
- Rulemaking for both eligibility, enrollment and appeals
- Implementation of transitioning out of employment into retirement
- Authorizing for purchasing choices, spending (like PEB board)
- Communication system for reaching employers and defining their streams of input
- Actuarial component

In design of program itself, HCA will include composition of governing board and responsibilities.

The implementation plan around governing board – how to put it in place and get them to complete what they need to complete before we go live. Need to separate those two things.

What we need is an implementation plan to get to 2013, different from ongoing operating plan.

HCA was told to present in report how we can get a benefits system ready to go in 2013. Proviso didn't raise: is 2013 the right thing to do? HCA still has to tell them how to get to 2013. But, we can offer rationale of postponing implementation—of authorizing in 2012, but postponing to get it right.

Legislators have shared they want to do it right. So they're open to determining right sequencing and timeline. So we have to give them plan for 2013, but also recommend how to do it over longer period. Advantages of doing it in 2014.

Experience of Oregon will be informative.